

March 24, 1995

1. Transmitted is a revision to the Department of Veterans Affairs Health Administration Manual M-2, "Clinical Programs," Part III, "Nutrition and Food Service," formerly "Dietetic Service," Chapter 5, "Resource Management" formerly "Nutritional and Budgetary Control."

2. Principal changes are:

a. The deletion of the application of a ration allowance and conversion factor in menu and budget planning.

b. **Paragraph 5.04:** Outlines policy for inventory of Department of Veterans Affairs (VA) property assigned to Nutrition and Food Service.

c. **Paragraph 5.05:** Includes the use of the Nutrition and Food Service Decentralized Hospital Computer Program (DHCP) Modules and other current VA cost accounting and/or budget reports to compute Nutrition and Food Service food costs.

d. **Paragraph 5.08:** Establishes the responsibility for computation of local subsistence rates.

e. **Paragraph 5.09:** Establishes performance and productivity indicators as a management tool for identifying daily workload.

3. Filing Instructions

Remove pages

iii through iv
5-1 through 5-15

Insert pages

iii through iv
5-i through 5-ii
5-1 through 5-6

4. **RESCISSIONS:** M-2, Part III, Chapter 5, change 1 dated March 8, 1982, and change 2, dated June 11, 1985.

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Under Secretary for Health

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RESCISSIONS

The following material is rescinded:

1. Manuals

M-2, Part III, dated December 1, 1966, and changes 1 through 14.

M10-4, Part II, dated September 1, 1947.

M-2, Part II, Chapter 1, and change 1, dated March 8, 1992.

M-2, Part III, Chapters 2, 3, and 4, dated October 21, 1981.

M-2, Part III, Chapter 5, changes 1 and 2, dated June 11, 1988.

2. Interim Issues

II 10-88-3

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3. VHA Circulars/Directives

10-94-050

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RESCISSIONS

1. Manuals

M-2, Part III, Chapter 5, changes 1 and 2 dated June 6, 1988.

CHAPTER 5. RESOURCE MANAGEMENT

5.01 PURPOSE

This chapter defines the management of resources in Nutrition and Food Service which demonstrate a commitment to the goals and mission of the local medical center and ensure cost effectiveness, improved productivity, quality service, and technological advances. The planning and management of the Nutrition and Food Service budget includes menu planning, cost containment and data validation as its key components.

5.02 POLICY

It is Veterans Health Administration (VHA) policy to ensure that a nutritionally adequate diet is provided for clients within the allocated financial, space, and human resources.

5.03 BUDGET PLANNING

The Nutrition and Food Service budget is a plan for financing the activities required to provide medical nutrition therapy and food service.

a. The Chief, Nutrition and Food Service, performs as an active participant in the medical center budget process by providing projected requirements for employees, subsistence, expendable supplies, nonexpendable (equipment) property, protective equipment, educational materials, tuition and travel, automatic data processing equipment, maintenance contracts, and space.

b. Based on local client data, planned seasonal workload, employee performance indicators, Nutrition and Food Service cost and usage data, cost projections, inflation factors, and menu cycle changes, budget estimates are projected for human resources, subsistence, equipment and supplies, teaching aids, and continuing education.

(1) **Human Resources.** Employee ceiling estimates are determined by the anticipated workload. The Chief, Nutrition and Food Service, is responsible for assuring work is organized and positions assigned in a manner that will serve the organization's needs effectively and economically. **NOTE:** *Alternative methods of providing food and nutrition services are proposed, considered, and evaluated.*

(a) The number of food production and food service employees should be based on the number of meals produced and served, menu cycle, type of service, physical layout, amount of labor saving equipment and variation in assignment of janitorial duties.

(b) Dietitian, dietetic technician (clinical and administrative) and clerical staffing should be based on the number of clients, clients' nutrition status and service needs, length of stay, turnover rates, and inpatient versus outpatient setting.

(c) The Chief, Nutrition and Food Service, is responsible for monitoring and analyzing labor costs to ensure labor cost control.

(2) **Subsistence.** Subsistence is the food, food products or nourishment provided for daily sustenance. The subsistence budget is based on planned workload, cycle menus, medical center's current cumulative food cost for each major food category, seasonal changes, inflation rate, and contracts.

(3) **Equipment.** The Chief, Nutrition and Food Service, is responsible for developing accurate equipment specifications and estimating projected costs.

(a) Protective Equipment. The Nutrition and Food Service budget should include funding for protective clothing and equipment for appropriate employees.

(b) Equipment Maintenance Contracts. The Chief, Nutrition and Food Service, coordinates with Engineering Service equipment maintenance contracts for specified dietetic equipment.

(c) Automatic Data Processing (ADP) Equipment. The Chief, Nutrition and Food Service, identifies and plans for ADP equipment needs in order to maximize daily efficiency.

(d) Additional and/or Replacement Equipment. Requirements for replacement or additional equipment should be based on one or more of the following:

1. Projected client workload,
2. Information obtained from investigative studies to improve the efficiency in food production and food service,
3. Clinical need,
4. Space utilization,
5. Work flow,
6. Automation,
7. Fair wear and tear of existing equipment,
8. Type of food production and service,
9. Strategic plan,
10. Increasing employee productivity, and
11. Energy cost savings.

(e) Replacement equipment needs should be determined by a review of:

1. equipment inventory listing.
2. equipment replacement listing.
3. equipment identified as hazardous.
4. equipment needing frequent repair.

(4) **Teaching Aids.** Budget plans should provide for a variety of posters, food models and printed educational materials for clients. The Chief, Nutrition and Food Service, determines if it is cost effective to develop in-house patient education materials or to purchase commercially produced educational materials.

(5) **Continuing Education and Training.** Continuing education is necessary to maintain employee proficiency; acquire needed skills or knowledge; and to adjust to new technology, equipment or changes in mission. The Chief, Nutrition and Food Service, projects resources required to support training.

5.04 PROPERTY MANAGEMENT

The Chief, Nutrition and Food Service, is responsible for property used by the Service and establishing a procedure for inventory of VA property assigned to the service.

a. **Classification of Property.** All property falls into one of two general categories: real or personal. For classification details, refer to VA Directive and Handbook 7127.

b. **Expendable Property and/or Supplies.** Expendable Property is personal property or supplies charged to operating expenses when issued for use or consumption and must meet the definition of expendable property as found in VA Directive and Handbook 7127. Requirements are based on past and current usage, planned workload, current cost, inflation rate, and operational changes anticipated by Nutrition and Food Service.

c. **Nonexpendable (Equipment) Property.** Nonexpendable (Equipment) Property is property which is not charged to operating expenses when put to use, but is recorded as equipment owned by VA and meets the definition of non-expendable property, found in VA Directive and Handbook 7127.

5.05 NUTRITION AND FOOD SERVICE FOOD COST

a. The Chief, Nutrition and Food Service, is responsible for the analysis of food usage and cost to ensure that a nutritionally adequate diet is served to clients. Through sound management and budgetary controls. The Nutrition and Food Service Decentralized Hospital Computer Program (DHCP) Modules and other VA cost and/or accounting budget reports are samples of sound management techniques used to compute food costs.

b. Local medical center food costs are compared to VA published Nationwide Average Daily Client Food Cost and local community food cost benchmarks. Factors which may impact medical center's daily client food cost include:

- (1) Location,
- (2) As purchased food costs,
- (3) Type of clients,
- (4) Percentage of commercial nutrition products (supplements and tube feedings),
- (5) Number of convenience food products,
- (6) Seasonal variances, and
- (7) Type of menu cycles.

5.06 PER DIEM COST

The per diem cost is the Nutrition and Food Service operating cost for personnel, food, and supplies per client day of care. The major subaccounts assigned to the Nutrition and Food Service Cost Center are listed in VA Handbook 4671, and are used to compute per diem costs.

5.07 FOOD SERVICE MANAGEMENT

Nutrition and Food Service costs for food, supplies, and labor represent a significant medical center expenditure and efficient management of local resources is required.

a. **Cost Accounting and Budgeting.** On a continuing basis, the Chief, Nutrition and Food Service, compares actual food, supplies and labor costs with Nutrition and Food Service budgeted costs. These costs can be analyzed in terms of cost per client day. The Chief, Nutrition and Food Service, should track cost trends and determine the cause of variation in costs. Periodic conferences are held with management to compare actual expenditures with the Nutrition and Food Service budget.

b. **Menu Planning.** Menus are planned to effectively utilize resources and in accordance with M-2, Part III, Chapter 3.

c. **Purchasing.** The Chief, Nutrition and Food Service, provides detailed specifications and accurate quantities to ensure that competitive, efficient, and cost-effective purchasing procedures are implemented.

d. **Receiving**

(1) Specific receiving hours are established.

(2) Scales that are routinely calibrated are used for verifying amounts.

(3) Only designated and trained employees are responsible for receiving supplies. **NOTE:** *Nutrition and Food Service management periodically monitors the receiving process.*

(4) Discrepancies in quantities as well as quality are brought to resolution.

f. **Storage and Inventory Control.** An inventory system is established to :

(1) Maintain quality of foods and supplies,

(2) Minimize inventory costs, and

(3) Ensure adequate quantity on hand for production and service.

g. **Food Preparation and Service.** Food is properly planned, prepared and portioned to achieve economic and therapeutic goals as well as client satisfaction.

(1) Nutrition and Food Service uses only standardized recipes.

(2) The Chief, Nutrition and Food Service, is responsible for implementing and using the Decentralized Hospital Computer Program (DHCP) Food Management Module to improve the quality of client food service and to promote efficiency in food production and service.

h. **Nourishments.** An effective monitoring system of nourishment distribution and consumption is established to benefit both the client nutritionally and to contain costs.

i. **Other Subsistence Needs**

(1) Subsistence items required in Ambulatory Care Clinics (including Substance Abuse Clinics) for use as vehicles for oral medications or for approved therapeutic treatment programs are issued and charged to the using Service as outlined in M-1, Part I, Chapter 2.

(2) Commercially prepared dietary supplements and tube feedings prescribed by physicians and dentists for outpatients, inpatients and domiciliary clients on authorized absence are stocked and issued by Pharmacy Service as outlined in M-2, Part VII.

(3) Parenteral feedings for inpatients and authorized outpatients on Total Parenteral Nutrition (TPN), are prepared and issued by Pharmacy Service.

j. **Nonfood Uses of Food.** Subsistence items such as oatmeal, sugar, salt, etc., used for purposes other than as food as in the preparation of media, baths and pharmaceuticals, etc., or animal food are issued and charged to the using Service.

k. **Security in Nutrition and Food Service.** Security is provided to all areas of Nutrition and Food Service to protect against theft of supplies, and equipment including ADP equipment. Security is achieved by:

- (1) Controlling keys,
- (2) Securing areas and equipment,
- (3) Restricting access, and
- (4) Controlling authorized and unauthorized traffic.

5.08 SUBSISTENCE RATES

Nutrition and Food Service at each facility annually establishes the cost for occasional guest meals and contract meal rates as outlined in M-I, Part I, Chapter 2.

5.09 FOOD SERVICE PERFORMANCE AND PRODUCTIVITY INDICATORS

NOTE: *A productivity indicator is the average minutes per meal served.*

a. Food service performance and productivity indicators are used as a management tool in guiding, managing, and monitoring nonprofessional, nonclerical personnel utilization in Nutrition and Food Service. Performance and productivity indicators measure work performance and identify daily workload and personnel requirements to prepare and serve daily client meals.

b. The following performance and productivity indicators are based on the results of work measurement studies and the types of meal service provided. These indicators should be used as a guide to determine workload requirements for daily food service operations.

(1) **Bedside Tray Service.** Per meal - 17 minutes, or 51 minutes per client day (if Average Daily Client Count is 299 or less) and 15 minutes per meal or 45 minutes per client day (if Average Daily Client Count is 300 or more).

(2) **Cafeteria Self-service.** Per meal - 10 minutes, or 30 minutes per client day. Cafeteria self-service is defined as a unit where clients select their food items from a cafeteria counter without assistance.

(3) **Table and/or Waiter Service.** per meal - 16 minutes, or 48 minutes per client day. Table and/or waiter service is defined as a serving unit where trays are assembled by food service employees from a central tray assembly unit or a cafeteria line and delivered to clients in a dining room setting.

c. The Chief, Nutrition and Food Service, should use the performance and productivity indicators to:

- (1) Determine personnel requirements,
- (2) Schedule an even workload distribution,
- (3) Manage and forecast workload requirements, and
- (4) Report on staffing efficiency to management.

5.10 COST CONTAINMENT

The Chief, Nutrition and Food Service, is responsible for developing and implementing a Cost Containment Program that includes cost avoidance and cost effectiveness analyses. **NOTE:** *Methods are to be developed to obtain the support of all employees in the cost containment effort.*

5.11 SPACE AND EQUIPMENT

The Chief, Nutrition and Food Service, is responsible for determining the amount of space and equipment needed to complete specific functions in food production and service. This determination is based on:

- a. Client workload,
- b. Type of service,
- c. Number of employees,
- d. Type of supplies and storage requirements, and
- e. VA space criteria.

5.12 ENERGY MANAGEMENT

Nutrition and Food Service is an active participant in the local Energy Management Program and applies energy conservation practices in the workplace.